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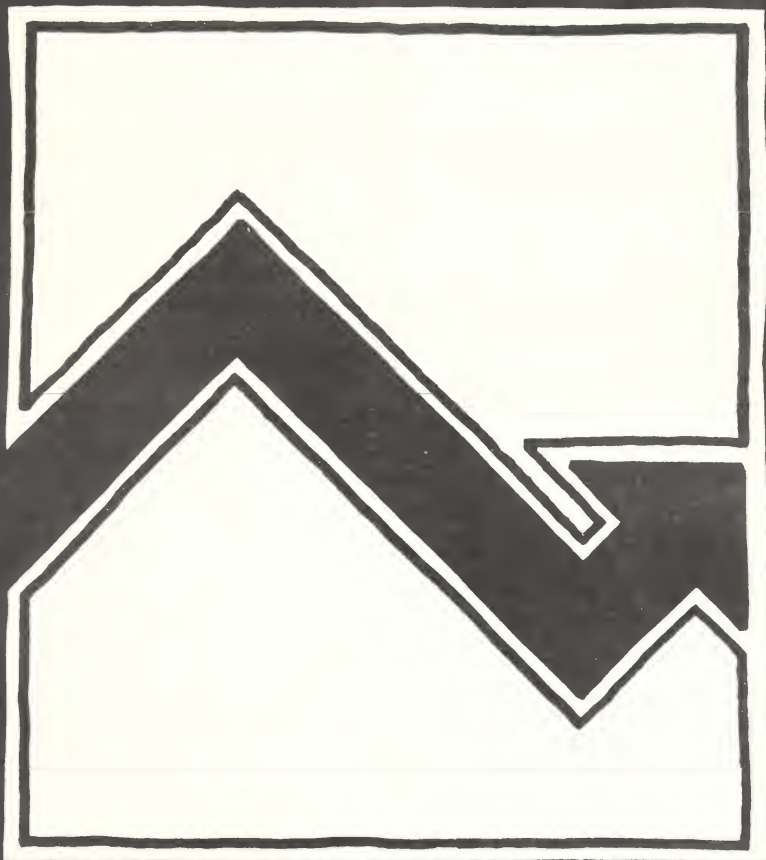
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THE PORK PERPLEX

THE PORK PERPLEX

Hog producers are starting to breathe easier now that prices are recovering from one of the sharpest drops on record.

Between February and December 1970 barrow and gilt prices at seven Midwest markets plummeted from \$28.25 to \$16.65 per 100 pounds. And prices stayed low until late winter, though by late June they were up to \$19 per 100 pounds.

At USDA's Economic Research Service, hog watchers call the roller coaster ride pork producers have just been through a *cycle*. There have been two others since 1960.

Ups and downs in hog production and prices are nothing new. In fact almost a century ago, when the science of economics was very young indeed, Samuel Brenner pointed out the regularity of cycles in the hog economy.

Brenner called his findings "prophecies" but later economists applied exact statistical methods to hog prices and eliminated most of the mystery.

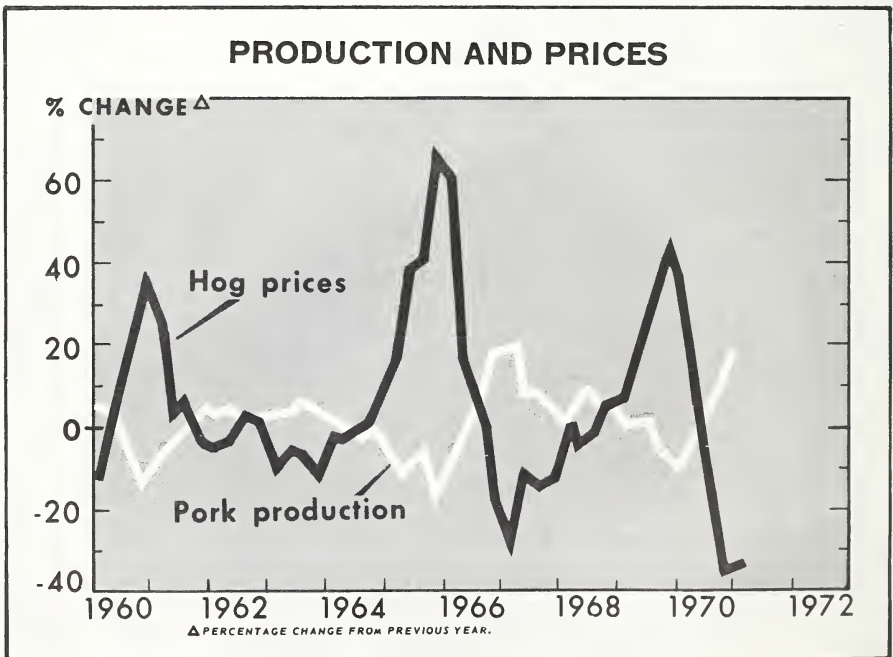
—High prices usually mean a bigger pig crop the following year; low prices mean a cutback.

Prices in 3 years since 1960 caused increases in production the following year: 1961, \$16.60; 1966, \$22.80; and 1969, \$22.20. These are average prices received for the whole year by farmers.

—Pig crop size determines hog marketings. The years 1962 and 1963, 1967 and 1968, and 1970 all had pig crops larger than a year earlier, and in almost every case, hog marketings grew also. The two earlier cycles had longer buildup times before overexpansion caught up with prices.

—Hog marketings affect prices. When the number of hogs marketed reaches a certain peak, prices go down. Since 1960, prices have hit three cyclical

Since 1960 prices for barrows and gilts at seven Midwest markets waxed and waned three times. Right now prices have started back up after one of the sharpest drops seen in a long time. Pork production (commercial per person) runs almost exactly counter to price. Production is expected to start retreating during the latter half of 1971.





cal lows: in spring 1964, fall 1967, and fall 1970.

The most recent drop was one of the sharpest on record: prices fell over 40 percent between February and December 1970, with a 35 percent fall in the second half. The high price of corn in late 1970 pushed farmers to market even more hogs than they normally would have at the end of a price cycle.

Hog Numbers

The current hog cycle started during 1969 when, in response to favorable hog prices, producers launched the biggest expansion since World War II.

The 1970 pig crop totaled over 102 million, the largest since 1943's record 121 million. During the 1960's the two largest crops exceeded 94 million, and these peaks marked the tops of build-ups that lasted 2 to 4 years.

Last year's crop soared well above 1969's almost 89 million and it will be recorded as one of the sharpest upturns on record. The spring crop was up 12 percent from 1969's; the fall crop stood 18 percent above a year earlier.

In terms of farrowings, the current hog cycle is just into its downturn. Winter farrowings (December 1970–February 1971) were up 6 percent over a year previous but this spring (March–May) Corn Belt producers cut farrowings 7 percent.

As of June 1, hogs and pigs on U.S.

farms stood at 66.1 million—2 percent more than a year earlier, according to the Crop Reporting Board's latest estimate.

Hog producers intend to have 6.3 million sows farrow during June–November 1971. Figuring on 7.3 pigs saved per litter, the June–November crop will total 97.6 million, down 8 percent from last year.

Hog Slaughter

Hog slaughter, too, is nearing a turnaround.

During the first half of 1971 it ran 20 percent ahead of year earlier levels. But by yearend, slaughter will probably be below that of last December and prices above.

With continued lower slaughter rates, 1972 hog prices are expected to be up from 1971.

Other factors that are important to hog prices and production include feed prices and supplies, consumer demand for pork, and availability of other meats.

Roughly two-thirds of hog feed is corn and some farmers gear their hog enterprises directly to the supply and price of corn and hogs.

The *hog-corn ratio*, a term that originated in the mid-1920's, is a rough measure of profitability in hog production.

Hog producers know it is the number of bushels of corn that can be exchanged for 100 pounds of live hog at current prices. A high ratio implies that corn is relatively cheap in relation to hogs. A lower ratio means that it is more costly to feed hogs.

During 1968, the ratio averaged 18.0 and it hovered around the same figure for much of the first half of 1969.

In June 1969 the ratio broke 20. In fact, the 1969 average, 20.3, was a record high for a whole year.

February 1970 stands as the high mark for a single month—24.1. And the ratio remained very favorable until August when corn prices started to climb and hog prices were going down.

The ratio dropped 2.7 points from

August to September 1970 and continued down to a low of 10.7 in January 1971. Most of the drop was due to declining hog prices. Many farmers saw no profit in feeding corn made expensive by drought and blight.

Also many farmers became less anxious to raise hogs during 1971 than they had been during 1970.

Late in winter 1970, feeder pigs 40 to 60 pounds at Illinois markets were averaging \$29 per head. When the prices of hogs fell, feeder pig prices fell faster. By late 1970 they were around \$12 per head, a 50-percent drop from a year earlier, compared to slaughter hog price drops of around 40 percent.

Winter prices for feeder pigs strengthened and were averaging \$16 by June. Prices are expected to improve further in second half, particularly if the corn crop looks favorable.

The hog-corn ratio has turned more favorable to producers lately, standing at 12.2 in June 1971.

HOG AND PIG REPORTS

Livestock and Poultry Inventory—Number, Value, and Classes, by States (February)

June 1 inventory—December-May farrowings, June-November indicated farrowings, by States (June)

December 1 inventory—June-November farrowings, December-May indicated farrowings, by States (December)

Farrowings and inventory, 10 Corn Belt States and Hawaii (March, June, September, December)

Meat Animals—Farm Production, Disposition, and Income, by States (April)

Livestock Slaughter and Meat Production—Number and live weight of hogs slaughtered in commercial plants, by States (Monthly)

PEOPLE AND PORK

During the 1960's America's per capita pork consumption stayed pretty even—64.9 pounds in 1960, 64.8 pounds in 1969.

Meanwhile we upped our per capita beef consumption by 25.5 pounds and our chicken by 11.0 pounds.

Why did pork fail to increase?

Part of the answer is revealed by a yearlong study on U.S. homemakers' opinions and attitudes on meat and meat products by SRS' Special Surveys Branch in cooperation with the National Live Stock and Meat Board.

Almost all the homemakers reported serving beef and chicken during the 12 months preceding the SRS survey, but fewer served pork and pork products.

Bacon was the most popular pork item—reportedly served by 95 percent of all homemakers and by six out of 10 two or three times a week.

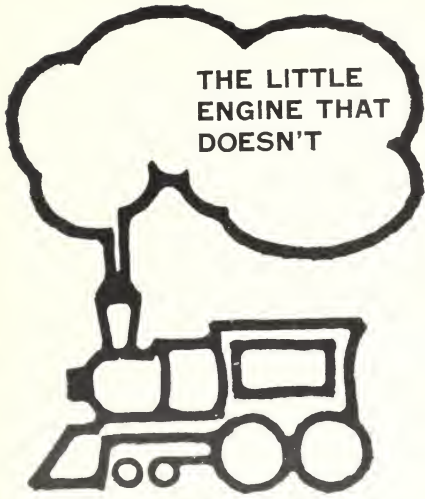
The few homemakers who shunned bacon altogether or served it infrequently cited health reasons or bacon's high cost. Some homemakers considered it solely a breakfast meat and rarely used it because of their personal breakfast habits.

Nine out of 10 homemakers said they had served fresh pork sometime during the year but only about three in 10 put it on the table at least once a week. Chops were the tops with the homemakers.

Fresh pork rated high on tastiness but low on health considerations such as digestibility. Price and grease or fat content were other considerations held against pork—especially by the homemakers who didn't serve it often.

Nine out of 10 homemakers said they had used smoked or cured pork, generally known as ham to consumers, in the preceding year but fewer than two in 10 served it once a week or more.

Generally the women thought ham was easy to prepare and made a good warm weather meal. But infrequent or nonusers avoided smoked pork because of its cost, taste, inconvenient size, or health reasons.



The milk train doesn't stop *anywhere* any more.

Those trains that used to wind through the countryside, picking up milk cans, eggs, or other perishables and occasionally leaving off ice, have virtually vanished from the present-day scene.

Indeed, trains in general—not just those on rural spurs—are not doing the business they once did in moving highly perishable farm products.

According to a survey made recently by USDA's Economic Research Service, rail shipments of 10 important perishable items fell from 13.7 million tons in 1954 to 8.2 million in 1969. That amounted to a 40-percent drop in volume over the 16 years.

Livestock shipments, once the No. 1 item in rails' perishable traffic, plummeted from 4.6 million tons to 0.9 million—or 79 percent. Shipping volume was off 48 percent for apples; 33 percent for citrus.

In fact, only two commodities registered rail traffic gains during 1954–69: lettuce, up 16 percent from 1.0 to 1.1 million tons; and onions, up 11 percent from 0.34 to 0.36 million tons.

The rails' volume loss in perishables was accompanied by a drop in revenues from these items—which were 28 percent smaller in 1969 than in

1954. The revenue drop wasn't as steep as the volume falloff because the special handling required by perishables brings railroads a higher rate per ton than nonperishables.

Some of the decline in carload traffic of farm perishables may have been offset by increases in mixed loads in trailers-on-flatcars. Under this system a truck trailer carrying several different items is loaded onto a flatbed railroad car for intercity hauling. Then the truck trailer is unloaded and hitched to a cab for in-city or suburban hauls.

There are no figures on the quantities of each commodity moving in mixed loads so ERS wasn't able to pinpoint the volume of this trade on an item-by-item basis.

By and large, the railroad's loss has been motor carriers' gain—for three important reasons.

—The railroads' advantage in rate making is directly related to the distance farm products move. While the trains still have a cost edge over other carriers on long hauls, their rates aren't as competitive on short hauls.

The perishable items still moving by rail are usually traveling fairly long distances. A train trip for a ton of potatoes, for example, now averages 1,357 miles, 204 more than in 1954. Livestock are moving an average of 938 miles per ton compared with 750 miles in 1954, while citrus is traveling 2,036 miles in contrast to 1,800 miles.

—Second, truck shipments of most farm products are exempt from economic regulation by the Interstate Commerce Commission.

Consequently, truckers can be much freer in contracting for farm product shipments. Also, agricultural products are often available for backhauls and truckers may carry them at low rates rather than return empty.

—Finally, truck shipments are often more convenient for farmers. Trucks can pick up and deliver products at a number of points for the same load. Firms without easy access to rail facilities can ship and receive products directly by truck.



SPOTLIGHT ON MISSOURI

The Missouri State Fair plans the biggest birthday party ever in observance of the 150th anniversary of the State.

The Fair will include a contrast of the old and new in agriculture to illustrate how important the industry has been to the State.

Some of the entertainment will be vintage 1820—greased pole climbs and coon dog races. There'll be prizes for the best mustaches, beards, and costumes.

Twentieth Century type fun will be represented by tractor pulls, harness and stock car racing, beauty contests, free country and western shows and popular music featuring nationally known entertainers.

The Fair has been designated by the First State Capitol and Sesqui-centennial Commission as one way to emphasize agriculture's importance in the old "Gateway to the West." The Commission also points out that farming is mighty important today to Missourians. Take into consideration that:

—One out of 5 workers in the State is employed in farming or agribusiness. That amounts to 350,000 wage earners.

—Agribusiness, the largest enterprise, generates over one-third of the State's \$13.7 billion personal income. It pays the salary of more Missourians than any other industry and serves as the keystone of the State's economy.

—Missouri farmers have invested approximately \$13.4 billion in their growing enterprises. That averages out to \$94,000 per farm business.

The agriculture of Missouri begins with the raw products produced on its 141,000 farms. Last year, Missouri farmers sold nearly \$1.5 billion worth of crops, livestock, and livestock products. More than 10 percent of this was exported.

"During 1970 the major crops here all showed increases in value," notes Donald W. Barrowman, Statistician in Charge of the Crop and Livestock Reporting Service in Columbia. All together, the total value of crops was estimated at \$732 million, up \$85 million or 13 percent over 1969.

Soybeans shifted into the No. 1 crop position in the State in 1970, unseating the traditional top crop, corn. Recently, soybeans have accounted for around 15 percent of Missouri's cash receipts from farming.

In 1970 soybean production totaled over 90 million bushels, the second largest crop the State has produced to date. The crop set a record for value—almost \$255 million.

Missouri corn production totaled over 173 million bushels last year—5 percent less than in 1969 and the smallest crop in 5 years. The drop was caused by low yields—61 bushels per acre, 9 bushels less than in 1969.

Although southern corn leaf blight struck the crop in 1970, chiefly in the northeastern portion of the State, overall infestation was light. Damage from dry weather was more significant.

Cotton and two feed grains, sorghum and oats, are important in the State's economy, too. Missouri produced 225,000 bales of cotton in 1970.

The State holds the No. 10 spot in the Nation for cotton production.

Last year production of almost 13 million bushels of sorghum grain and over 9 million bushels of oats aided the State's immense livestock industry.

Livestock and their products earn over 70 percent of the State's farm income every year. Last year cash receipts reached a new record high, \$1,054 million, 2 percent over 1969.

The latest SRS cattle inventory showed almost 5 million cattle on Missouri farms. The State follows national trends in that dairy cow numbers are dropping—down 3 percent last year—and beef cow numbers are climbing—up 1 percent. All in all, cattle numbers increased 1 percent while their value, \$873 million, climbed 4 percent during 1970.

Beef cattle generally earn about 30

percent of cash receipts, while dairy products constitute about a tenth.

The number of calves born continues a long uptrend. Last year's crop, well over 2.1 million, established the fourth record high in as many years. Missouri ranks second in the Nation after Texas for number of calves born.

Hogs earn about a quarter of the cash receipts for Missouri farmers. At the beginning of this year, farmers had over 5.1 million hogs and pigs, 22 percent more than the previous year. However, because of the recent depression of hog prices, the total value of hogs on hand was down 29 percent from a year earlier to \$112.6 million.

"Despite some recent disappointment in hog prices, Missouri's agriculture keeps piling record high on record high," says Barrowman. "I think our agriculture really has something to celebrate at the Fair."



Upper left: A 19th Century Missouri farmer rakes hay with a then new machine. Lower left: Missourians are still interested in haymaking machinery but they're even more interested in cattle feeding (upper right). Modern storage facilities dot Missouri feedlots.

DO-IT-YOURSELF CREDIT CARDS

Half the families in the United States use some type of installment credit. Those who manage debt most effectively know how much credit costs and never borrow more than they can repay.

Here are some easy-to-follow directions on how to figure credit costs. Paste these tables on a 3 x 5 card and keep them handy for the next time you borrow money or buy on installment—they could save you dollars.

How To Figure the Dollar Cost of Credit

Total all costs. Then subtract the cash price of what you are buying or the money you actually get from the lender. The difference is the dollar cost of credit.

Example: You buy an item costing \$310. You make a downpayment of \$35 and agree to make 18 monthly payments of \$17.50. What's the dollar cost of credit?

Solution:

Multiply payments by number of months $\$17.50 \times 18$ _____	\$315. 00
Add downpayment at time of purchase_____	+35. 00
	<hr/>
Total costs_____	350. 00
Subtract cash price_____	—310. 00
	<hr/>
Dollar cost of credit_____	40. 00

How To Figure Annual Credit Rates

Double the dollar cost of credit and multiply by 12 (months in a year). Next, multiply credit needs by total payments plus 1. Finally, divide your first answer by your second answer. The result is the annual credit rate.

Example: You buy a \$310 item, paying \$35 down and \$17.50 a month for 18 months. Your dollar cost of credit is \$40. What is the true annual credit rate?

Solution:

Double the dollar cost ($\$40 \times 2 = \80) and multiply by number of months in a year $\$80 \times 12 = \960 .

Multiply credit needed ($\$310$ minus $\$35$ downpayment $= \$275$) by number of payments plus 1 ($18 + 1 = 19$) $\$275 \times 19 = \$5,225$.

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Divide the first answer by the second answer $5,225 \overline{) 960.0000}$

Annual credit rate is 18.37 percent.



SAFETY STANDARDS

If you're involved in farming—and the odds are you *are* if you're reading this magazine — the Occupational Health and Safety Act of 1970 could make a big difference in your farm operation.

The Act's goal—tighter health and safety standards in all U.S. industries—was established to save injuries and lives. It can help you as well as your employee.

Accident rates in agriculture are currently so high that farming ranks as one of the most hazardous occupations in the Nation. Indeed, President Nixon took note of this fact when he proclaimed Farm Safety Week, July 25–31.

The Occupational Health and Safety Act was not passed with agriculture specifically in mind. However, farmers may well feel its impact more keenly than nonfarm businessmen since this marks the first time health and safety standards will be enforced in the work environment of farms that hire labor.

On April 29, 1971, the Secretary of Labor, as required by the new law, announced a host of standards applying to all businesses affecting interstate commerce, no matter how small. However, only four dealt specifically with agriculture. These involved sanitation facilities in temporary labor camps, the storage and handling of anhydrous ammonia, pulpwood logging, and emblems for slow moving vehicles (SMV).

The SMV and sanitation standards go into effect in August while the other two take effect in February 1972.

Labor Department officials are working closely with safety experts in USDA to make sure that the development of other new standards are relevant to the wide range of jobs and conditions in agriculture.

Under the Act, all farmers who hire workers will eventually have to keep health and safety records. However, the kinds of records to be kept and exactly which agricultural establishments will be required to report are still being studied by the Departments of Agriculture and Labor.

The following are some of the items under consideration that covered farm operators may be required to do:

- keep records of work-related deaths, illnesses, and injuries.

- keep records of employee exposure to potentially toxic materials or harmful physical agents.

- tell workers of exposure to toxic or harmful materials which exceed limits set in standards.

Enforcing the Act is up to the Secretary of Labor. He has the authority to send inspectors to a farm to check for violations. Too, farm employees have the right to request a Labor Department inspection when they believe they're threatened by a health or safety hazard.

Farmers may be helped by the Government in complying with the Act. One proviso of the legislation authorizes direct loans to small business to assist them in compliance. Occasionally permanent variances may be granted. And in most cases, the law allows farmers a "reasonable" time to correct any hazards without being penalized.

However, where dangers exist that threaten immediate death or serious physical injury to workers, a farmer might be cited in a court order that prohibits anyone from being employed or even being on the premises until the danger is eliminated.

There are steep fines—up to \$10,000 for each willful or repeated violation of the Act.



CORN CASTERS

Forecasting corn yields in August based on data gathered in late July will test any estimating program, especially when longstanding trends are upset by crop disease or poor weather.

First, corn is less mature in July. For example, by the last week in July some 90 percent of the crop in the Corn Belt has not reached the blister stage. That's when the silk is turning brown and dry and kernels can be felt through the husk.

To make a production estimate, SRS uses planted acreage and probable yield data from crop reporters and from observations made by enumerators in a sample of fields. Field visits provide plant population per acre and ear measurements if development has reached the blister stage. This latter element produces an estimate of ear weight at harvest. If kernels have not begun to develop historic averages must be used.

As the crop nears harvest, estimates close in on final production figures. SRS says changes in the national production forecast between August 1 and the last estimate averaged 172 million bushels 1961-69; between September and harvest, 122 million bushels; and 93 million from October to the final estimate. Between 1961 and 1969, corn crops ranged from about 3.4 billion bushels to over 4.5 billion.

The 1970 crop, hit by drought and

blight, was 4.1 billion. Prospects declined 15 percent between the July estimate and the harvest tally which has upset the historic yield averages.

Even before 1970, SRS had begun work on methods of predicting final grain weight based on early season examinations rather than using historic averages. Researchers found a definite relation between vegetation characteristics and final ear weight.

The tests were begun in late July, generally in fields with plants not having ear shoots or ears developed to the blister stage.

On the first visit, information was collected on the nutrients present in the soil and corn leaves, corn variety and planting dates, and fertilizer program. Weekly observations through mid-August provided information on the presence or absence of tassels, plant height, number of nodes, and leaf measurements.

Several of these early season findings proved as effective in forecasting final grain weight per plant as kernel counts and ear measurements possible only later in the season. While the use of vegetative characteristics are considered promising more research is needed.

EXPORT REVIEW

After trailing off in recent years, U.S. agricultural exports to the European Community came back strong in fiscal 1971. Our 1970-71 sales to the EC came to about \$1.8 billion.

Our exports of feed grains alone totaled about \$340 million, up almost \$100 million from the same period in fiscal 1970. The gain was largely due to a grain shortage in the Community last year.

EC imports of U.S. wheat and soybeans were also up, along with takings of variety meats, tallow, nuts, vegetables, cotton, and tobacco.

LAKE STATE DAIRY DIARY

Cities and cows don't mix, judging from what's been happening in the three Lake States—the Nation's most important milk producing region.

In the 15 years, 1949-64, there was close to a 50-percent drop in the number of Lake State farms with dairy cows. And nearly 9 out of 10 of the farms that stopped milking were located within 50 miles of one of the Lake States' growing urban centers.

USDA's Economic Research Service recently completed an in-depth study of the effects of urbanization and industrialization on dairying in Michigan, Wisconsin, and Minnesota.

Until recently most Lake State fluid milk was produced within a 30-mile radius of a city because of transportation and perishability problems. But better highways and bulk trucking eliminated these marketing difficulties. At the same time, rapid economic development was giving rise to an unprecedented level of off-farm job opportunities in close-in rural areas and providing a ready market for farmland sales.

With all these factors interacting, the exodus from dairying on the urban fringe is hardly surprising. Generally the farms that disappeared from dairying were small. During 1959-64 there was a cutback of more than a third in the number of farms with 10 to 19 cows and a 45-percent falloff in farms with fewer than 10 cows.

Meanwhile, further out in the country, a different story was being told. While some dairy operations went out of business, again chiefly small farms, most of those remaining were expanding. Farms with 50-plus cows more than doubled in number while farms with 30 to 49 cows increased by almost half.

Being outside the 30-mile radius of a city offered dairymen a couple of advantages. Important among these were: lower land values; labor costs; and fewer off-farm job opportunities for rural workers.



COTTON SIGN-UPS

The 179,000-farm drop in cotton program signups this year means there'll be 38,000 fewer farms growing cotton.

Don't bother to do a double-take—those figures are all o.k. Its' just a classic case where there's more to the story than meets the eye.

Some 297,000 farmers signed up in the cotton program this season—and program changes require all participants in 1971 to plant cotton to qualify for payments.

Last year program signups totaled 476,000—but only 335,000 participants actually planted cotton. The rules of the previous program allowed 141,000 small farms—those with cotton allotments of 10 acres or less or with a projected output of 3,600 pounds or less—to qualify for Government payments without actually planting the crop.

These 141,000 nonplanters comprise the bulk of the program dropouts this year. Apparently they're taking advantage of the liberalized arrangements regarding the lease and sale of their allotments.

The other 38,000 dropouts—farms that did participate and plant in 1970 but aren't doing either this year—are also chiefly small operations with cotton allotments of 10-minus acres. Thirty thousand of these farms were in the Southeast and Delta States. The Southwest lost 7,000; the West, less than 1,000.

ag outlook

Digested from outlook reports of the Economic Research Service.
Forecasts based on information available through July 1, 1971

WITHOUT FANFARE . . . Although radio and television ads for cigarettes ceased January 3, the rise in cigarette use didn't. January–April cigarette consumption by domestic smokers and military forces overseas jumped 3% over year-earlier levels. Helping explain the increase were a bevy of new brands issued last fall, a leveling off in retail price per pack, and some forward buying by wholesalers in anticipation of tax increases.

●
TOBACCO AUCTIONS . . . With the 1971 crop expected to be off 9% from last year's 1.9 billion pounds, U.S. manufacturers and exporters may buy a larger portion than last year. Prices should be up a little mainly due to a 4% hike in the support level.

●
COTTON PRICES . . . Prices for most of the longer staples have risen in past months, with a sharper advance for short staples, reflecting tighter supplies. The average spot market price for Middling 15/16 inch increased to 23.65¢ in May, compared with 20.76¢ a year earlier and 19.46¢ in May 1969.

●
COTTON USE . . . U.S. mills will match or slightly exceed the 8 million bales of cotton they used last year. Causing mill use to possibly climb are more orders for cotton cloth, less competition from manmades, and smaller cotton textile imports. However, the recent rise in cotton prices could temper expansion in use.

●
COTTON EXPORTS . . . Though sluggish at the start of 1970/71, our cotton exports picked up steam as the marketing year wore on. By March they totaled 2.4 million bales, more than a third ahead of August–March 1969/70. Shipments for all of the 1970/71 marketing year probably will total at least 3½ million bales.

FEED GRAIN USE during 1970/71 probably will fall short of last year's record 177 million tons, largely due to adjustments that farmers are making in livestock numbers. Hog and broiler producers are cutting back from last year's high levels, and cattle producers are slowing their expansion rate, too.

CARRYOVER . . . October 1 carryover into 1971/72 may be down to about 35 million tons, 13 million below a year earlier, as feed grain use far exceeds the short 1970 crop. The corn carryover may total around 700 million tons, down from 1 billion last year.

SORGHUM . . . Heavy use from a smaller supply probably will cut last year's carryover, 246 million bushels, in half by October 1. During the first half of 1971, 84% of the 1970 sorghum crop was used, compared with an average 71% in 1965-69.

TOP SALES . . . Feed grain sales brought U.S. farmers \$4.2 billion in 1970, up 5% from 1969 and a record high. Higher prices more than offset a 9% decline in volume. In addition, farmers received about \$1.5 billion in payments under Government programs, boosting total returns to \$5.7 billion, slightly above that for the 1969 crop.

IT AIN'T HAY . . . Hay sales for 1970/71 are estimated at 25 million tons, about 1 million more than a year earlier. A 5% increase in price, to \$26 a ton, boosted the value of hay sales 10% to a record \$645 million last year.

THE HATCH . . . Hatchings of pullets for the layer flock have been down from 7% to 13% every month this year, compared to last year's broods. However, a recently approved vaccine against Marek's disease will up the survival rate and productivity of layers, and may about offset the decline in hatchings.

POULTRY AND EGG CONSUMPTION . . . Americans ate 2 pounds more chicken per capita during 1970 for a record high 41 pounds. Turkey consumption fell slightly to 8.1 pounds. Egg consumption rose 1 egg per person during 1970, for a total of 319.

GROSS RETURNS to farmers averaged \$466 (farm value) for market basket foods in first quarter 1971—up 4% from fourth quarter 1970. Increases stretched across the board, but were sharpest for fresh vegetables, hogs, and beef cattle. Still, gross returns were 8% below the record high in 1970's first quarter.

BROILER FUTURE . . . Right now each of us is eating about 37 pounds of broiler meat a year. For the industry, that adds up to 3 billion birds annually and around \$1.5 billion in cash receipts. Broiler watchers predict that by 1980 per capita production will average around 45 pounds. Best growth probably will be in the South Atlantic and South Central States, while the West will expand its production moderately.

BROILER PRICES will likely hold above last year's levels because smaller supplies are expected during most of 1971. Chick placements for midsummer marketings are down around 5% from last year. Also, a relatively low feed-price relationship has checked the rapid expansion in output of the past 2 years.

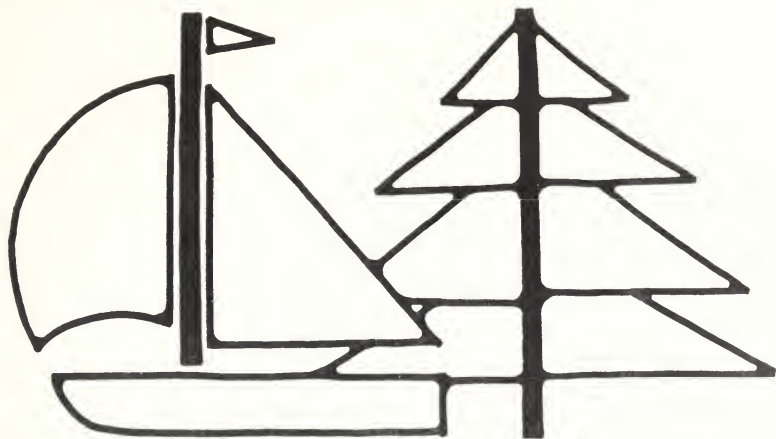
STATISTICAL BAROMETER

Item	1969	1970	1971—latest data available
Prices received by farmers (1967=100)	108	110	113 May
Prices paid, interest, taxes, wage rates (1967=100)	109	114	120 May
Ratio ¹ (1967=100)	99	96	94 May
Consumer price index, all items (1967=100)	110	116	121 May
Food (1967=100)	109	115	118 May
Average value of land per acre (1967=100)	113	117	121 March
Total value of farm real estate (\$ bil.)	202.6	208.2	214.0 March
Agricultural exports (\$ bil.)	5.9	7.2	0.6 May
Agricultural imports (\$ bil.)	5.0	5.7	0.5 May
Disposable personal income (\$ bil.)	631.6	684.8	714.9 ⁽³⁾
Spending for food (\$ bil.)	105.3	114.2	117.0 ⁽³⁾
Share of income spent for food (percent)	16.7	16.7	16.4 ⁽³⁾
Farm food market basket: ²			
Retail cost (\$)	1,174	1,225	1,243 May
Farm value (\$)	478	480	474 May
Farmers' share of retail cost (percent)	41	39	38 May
Realized gross farm income (\$ bil.)	55.5	56.6	56.1 ⁽³⁾
Production expenses (\$ bil.)	38.7	40.9	41.5 ⁽³⁾
Realized net farm income (\$ bil.)	16.8	15.7	14.6 ⁽³⁾

¹ Ratio of index of prices received by farmers to index of prices paid, interest, taxes, and farm wages.

² Average annual quantities per family and single person household bought by wage and clerical workers 1960-61 based on Bureau of Labor Statistics figures.

³ Annual rate, seasonally adjusted, first quarter.



TARS AND TURPS

Naval stores, a group of pine tree extracts, were named in the days when wooden ships used gum and turpentine for caulking hulls and treating rigging.

Today naval stores, sailing far from original marine uses, are found in a gamut of products—from pharmaceuticals to jet fuels.

At one time naval stores—turpen-
tines and gun rosins—were derived from pine sap tapped by southern growers much as northern farms tap maple trees. Now, however, a speedier acid process is used to wring the raw materials from pine trunks and stumps. And the newer refining techniques afford finer grades, permitting broader product diversity.

Pine derivatives are used in cough mixtures, shoe polishes, and shoe materials. The big market for rosin is the

sizing and impregnating of paper and paperboard.

SRS has kept a monthly count of naval store output and stocks for more than 25 years—a job it took over from the New Orleans Market News Service. SRS also issues an annual bulletin on all aspects of production and use.

Yearly turpentine production has been about constant since the turn of the century, hovering around 600,000 (50 gal.) barrels. In the turpentine-year ended March 31, production totaled 575,800 barrels. Sulphate turpentine is the only type where use has shown a gain; output of all others is declining.

Rosin seems to be slipping a bit. The long-time average (1900–70) is 1.7 million drums (520 pounds). However, output totaled only 1.66 million drums for the rosin-year ended March 31, 1971.

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